

STATE OF ILLINOIS

DEPARTMENT OF INSURANCE



IN THE MATTER OF THE
REVOCATION OF LICENSING
AUTHORITY OF:

Clarence H. Kusgen
14611 Lost Lake Lane
Mount Vernon, Illinois 62864

ORDER OF REVOCATION

I, Deirdre K. Manna, Acting Director of Insurance of the State of Illinois, hereby revoke the license of Clarence H. Kusgen (Licensee) to take effect 30 days from the date of mailing of this Order pursuant to Section 500-70 of the Illinois Insurance Code (215 ILCS 5/500-70).

Based upon an investigation and review of the Licensee by the Producer Section of the Illinois Department of Insurance, the Department alleges that:

- A. On June 26, 2003, the Licensee solicited and wrote a Continental General Insurance Company life application on a consumer. Policy Number 00900640 was subsequently issued effective July 10, 2003. A review of the application revealed that the only agent's signature on the application was that of another agent. The Licensee failed to sign this application.

By the above action, the Licensee failed to sign a life insurance application that he solicited and wrote in violation of Section 500-75 of the Illinois Insurance Code [215 ILCS 5/500-75]. Therefore, the Licensee has violated an insurance law of the Director which is a ground for revocation pursuant to Section 500-70(a)(2) of the Illinois Insurance Code (215 ILCS 5/500-70(a)(2)). Additionally, the Licensee has demonstrated incompetence and untrustworthiness in the conduct of business in this State which are grounds for revocation pursuant to Section 500-70(a)(8) of the Illinois Insurance Code [215 ILCS 5/500-70(a)(8)].

- B. The two (2) questions regarding replacement were marked "no" on the Continental General Insurance Company application. The consumer understood that the Continental General life policy was to replace a Bankers Life and Casualty Company life policy. The Licensee previously solicited and wrote the Bankers Life and Casualty Company Policy Number 8283486 insuring the life of the consumer

referenced above. The Licensee failed to present to the applicant and submit to the replacing insurer the applicable replacement forms.

By the above action, the Licensee failed to present to the applicant at the time of taking the Continental General application a "Notice Regarding Replacement of Life Insurance" in violation of 50 Illinois Administrative Code 917.60(b)(1) and the Licensee failed to submit the "Notice Regarding Replacement of Life Insurance" to the replacing insurer with the application as required by 50 Ill. Adm. Code 917.60(b)(2). Therefore, the Licensee has violated insurance rules of the Director which are grounds for revocation pursuant to Section 500-70(a)(2) of the Illinois Insurance Code (215 ILCS 5/500-70(a)(2)). Additionally, the Licensee has demonstrated incompetence and untrustworthiness in the conduct of business in this State which are grounds for revocation pursuant to Section 500-70(a)(8) of the Illinois Insurance Code [215 ILCS 5/500-70(a)(8)].

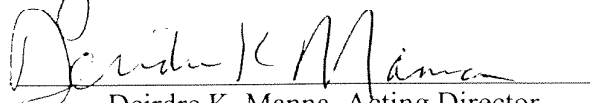
- C. The Licensee failed to reveal known health information on the consumer's Continental General life application referenced above, a mini-stroke that occurred in 2000.

Therefore, the Licensee has demonstrated incompetence and untrustworthiness in the conduct of business in this State which are grounds for revocation pursuant to Section 500-70(a)(8) of the Illinois Insurance Code [215 ILCS 5/500-70(a)(8)].

This Order of Revocation shall take effect 30 days from the date of mailing but shall be stayed if within the 30-day period a written request for hearing is filed with the Director. Any correspondence concerning this Order of Revocation shall be addressed to the Department of Insurance, Producer Section, 320 West Washington Street, Springfield, Illinois 62767-0001.

50 Ill. Adm. Code 2402 governs hearings before the Department of Insurance. Section 408(5)(a) of the Illinois Insurance Code (215 ILCS 5/408) and 50 Ill. Adm. Code 2402.270(d) provide that the costs of a hearing may be assessed against the parties.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the Official Seal of the Department of Insurance in the City of Springfield, State of Illinois, this 17 day of June, A.D., 2004.


Deirdre K. Manna, Acting Director